

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MARCH 20, 2007

The meeting of the State Properties Committee was call to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration; Richard B. Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; Xaykham Khamsyvoravong from the Rhode Island Office of the General Treasurer; Attorney Gerald Ratigan from the Rhode Island House of Representatives. Others in attendance were Joseph Dias from the Rhode Island Department of Environmental Management; Deborah Barclay from the Rhode Island Department of Human Services; Paul Carcieri, John Glynn, Marc Malkasian, Richard Kalunian and Paul Vincent from the Rhode Island Department of Transportation; John Ryan, James Berard and Jack Landers from the Rhode Island Department of Administration; Meredith Holderbaum from the Rhode Island Senate Fiscal Office; Jessica Paden from the Rhode Island Office of the General Treasurer; Michael Butler from the Federal Highway Administration; and Peter McIntosh and Julie Snider from Paige Productions, Inc.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the regular minutes of the State Properties Committee meeting held on Tuesday, March 6, 2007, by Mr.

Woolley and seconded by Mr. Griffith.

Passed Unanimously

A motion was made to approve the Executive Session minutes of the State Properties Committee meeting held on Tuesday, March 6, 2007, by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM A – Department of Human Services – A request was made for permission to negotiate the second renewal of the sublease between Capital City Community Centers, Inc. and the State of Rhode Island, acting by and through the Department of Human Services for a childcare facility located at 450 Clinton Street in the City of Woonsocket for a period of one (1) year. Ms. Barclay indicated that the childcare facility consists of approximately 17,000 square feet of operating space. Pursuant to the Sublease Agreement the childcare center is allowed to utilize a portion land located outside the building as a play area for the children. Ms. Barclay explained that the Capital City Community Centers, Inc. is seeking to exercise its option to renew the second one (1) year newel of the Sublease Agreement. Chairman Flynn asked if there is a reason the Sublease Agreement is on a year to year basis. Ms. Barclay indicated this particular Sublease Agreement was initially for a five (5) year term with two (2) one (1) year renewal options. Therefore, the Department of Human Services anticipates that once the Sublease Agreement expires, it will

be returning to the State Properties Committee next year seeking permission to solicit bids via a request for proposals for a childcare provider. Mr. Kay asked if all the required liability insurance coverage is in place. Ms. Barclay indicated that all liability insurance coverage is in place. Mr. Kay recommending that the Department of Environmental Management provide the appropriate certificate of insurance when it returns to the State Properties Committee for final approval of the sublease. Chairman Flynn asked what the total annual rental fee is. Ms. Barclay indicated the current base rate is \$5.12 per square foot for a total fee of \$8,704. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Human Services – A request was made for permission to solicit bids via a Request for Proposals for the operation of a traditional on-site childcare facility located at the Providence Regional Family Center, 206 Elmwood Avenue in the City of Providence. Ms. Barclay explained that the facility consists of approximately 5,000 square feet of space together with an outdoor play area. Chairman Flynn noted that the Department of Human Services appeared before the State Properties Committee in June of 2006, relative to this request. Ms. Barclay explained that at that time, the Department of Human Services was prepared to enter into negotiations with the Greater Providence County YMCA for the operation of a childcare facility at the Providence Regional Family Center site. However, there has been a shake up in the YMCA's upper management relative to its policies regarding its childcare program.

Ms. Barclay indicated that the Greater Providence County YMCA informed the Department of Human Services that it would no longer accept infants at its childcare facilities, which is a condition imposed by the State of Rhode Island in the Request for Proposals. Chairman Flynn asked if the Greater Providence County YMCA is the current childcare provider for this facility. Ms. Barclay indicated that Greater Providence County YMCA is the childcare provider at this time. Chairman Flynn indicated that as he is a member of the Board of Management for the Greater Providence County YMCA, he will recuse himself from voting relative to this item. Chairman Flynn indicated that although the Greater Providence County YMCA is a very family oriented organization, the childcare program has been a source of great revenue loss in the finances of the organization. Therefore, the Greater Providence County YMCA is exploring ways in which it can successfully compete with other childcare providers which may require some modification of its current policies. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Three Votes Aye

One Abstention

ITEM C – Department of Administration /Film & Television Office – A request was made for permission for Paige Production, Inc. to utilize the State House for purposes of filming dialogue sequences for the television pilot “I am Paige Armstrong” from March 31, 2007, through and including April 2, 2007. Mr. Feinberg introduced Peter McIntosh and Julie Snyder, the Producer and Location Manager of “I am Paige

Armstrong” respectively. Mr. Feinberg explained that Paige Productions, Inc. has requested use of the Rhode Island State House for filming from March 31, 2007, concluding the evening of April 2, 2007. Mr. Feinberg indicated some preparation will be conducted on March 29, 2007, in the State House Lounge as well as some preparation in the Senate Lounge on March 30, 2007. Mr. Feinberg indicated that he has obtained letters of acceptance from the Office of the Speaker of the House, the Office of the Senate President, Office of the General Treasurer and Office of the Lieutenant Governor. Mr. Feinberg indicated that the Film & Television Office is seeking the State Properties Committee’s approval subject to receipt of an acceptance letter from the Office of Governor Carcieri. Mr. Feinberg indicated that no resistance is anticipated. Mr. Feinberg indicated that an acceptance letter from Ted Sanderson of the Rhode Island Preservation and Heritage Commission has also been received. Mr. Feinberg presented a check in the amount of \$10,000 representing the security deposit and a check in the amount of \$3,000 representing the usage fee as well as a Certificate of Insurance. Chairman Flynn asked if this is the first time the State of Rhode Island has charged a rental fee for the use of the State House for filming purposes. Mr. Feinberg stated that this is the first time the State of Rhode Island has charged a rental fee. Chairman Flynn read a letter authored by Marco Schiappa, Associated Director of the Facilities Management, which approved Paige Productions, Inc. use of the State House for filming subject to certain terms and conditions all of which Paige Productions, Inc. has agreed to comply. Mr. Griffith indicated that he

is satisfied with the explanation and paperwork provided to the State Properties Committee and is willing to move to approve the request. Mr. Woolley concurred, but indicated a completed certificate of disclosure and a certificate of authority is also required. Mr. McIntosh stated that he will provide said documents to the State Properties Committee. A motion was made to approve by Mr. Woolley subject to the terms and conditions contained in Mr. Schiappa's letter dated March 20, 2007, receipt of the completed certificate of disclosure and a certificate of authority and formal written approval of the Honorable Governor Carcieri by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Administration/Division of Information Technologies –

A request was made for permission to issue a Request for Proposals related to the acquisition of an existing facility to house the State of Rhode Island's Computer Center. Mr. Ryan introduced James Berard, Chief of IT Operations and John Landers, Chief of the Division of Technologies. Mr. Ryan explained that the Department of Administration, Division of Information Technologies is before the State Properties Committee seeking permission to issue a Request for Proposals to acquire an existing facility to house the State of Rhode Island's Computer Center. Mr. Ryan explained that Governor Carcieri has recommended the issuance of certificates of participation to fund this project as part of the 2008 Capital Budget.

Mr. Ryan asked Mr. Berard to outline for the State Properties Committee the tremendous need for this facility and the plan of action if and when the new facility is acquired. Mr. Berard explained that the existing data center is approximately thirty-five (35) years old. The center is actually the former site of a Volkswagen dealership located on Route 6 in the Town of Johnston. The building currently has myriad structural concerns as well as water leakage and electrical issues. Mr. Berard indicated that there have been multiple requests made to upgrade the facility. The building does not meeting the requirement of the State of Rhode Island Fire Code as well as numerous other standards and building codes. Chairman Flynn asked if the State of Rhode Island owns the building. Mr. Ryan indicated the State owns the building and intends to sell it immediately upon the relocation to a new facility. Mr. Griffith asked whether the use of certificates of participation requires the approval of the General Assembly. Mr. Ryan indicated the use of certificates of participation will require the approval of the General Assembly. Mr. Khamsyvoravong asked in what areas the Department of Administration, Division of Information Technologies wants the facility to be located. Mr. Ryan indicated that the Department of Administration, Division of Information Technologies wants to centralize the facility and therefore is seeking properties in the Providence area. Mr. Griffith asked if the Request for Proposal will specify that provision. Mr. Ryan indicated the Request for Proposal does specify the Providence area. Chairman Flynn suggested that in order to avoid confusion relative to what the 'Providence area'

means, the Department of Administration, Division of Information Technologies could identify specific communities in the Request for Proposals as well as indicating that properties located out side these areas may be considered at the Department's discretion. Mr. Ryan agreed that the Administration, Division of Information Technologies has to be very specific relative to the geographical area. A motion to approve was made by subject funding approval by the General Assembly by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement between the State of Rhode Island, acting by and through the Department of Environmental Management, over 86.05 acres of land located on the southerly side of Putnam Pike in the Town of Glocester. Mr. Dias explained that the subject property is known as the Kwandrans Property located in a natural heritage and a well protection area. The subject property is part of the State Land Acquisition Parameter. An Open Space Grant was awarded to the Glocester Land Trust in 2004, for the property. Mr. Dias indicated that the Glocester Land Trust has purchased the subject property and in exchange for the State grant funds will be granting a conservation easement to the State of Rhode Island. Mr. Dias presented an aerial photograph of the subject property to the State Properties Committee for its review. Mr. Griffith noted from the photograph that the subject property includes structures along Route 44. Mr. Griffith asked if there is any activity in said structures. Mr. Dias indicated that one of

the structures is a farmhouse. There is also a farm stand and a historic school located along Route 44 on the subject property. Mr. Dias indicated one of the historic school buildings is included in this acquisition. Mr. Griffith asked if there is an active well in the area. Mr. Dias is unsure whether there is an active well in the area. Chairman Flynn asked if the figure of \$287,500 is the amount contributed by the State of Rhode Island. Mr. Dias indicated that is correct. Mr. Dias indicated that the total grant award was \$300,000; however, the property's appraised value is \$575,000. Mr. Kay asked if the property was appraised by anyone other than Andolfo Appraisal Associates. Mr. Dias indicated that generally the grantees obtain an outside appraisal of the property and then the Department of Environmental Management reviews the appraisals to ensure that they meet the required standards. The Department of Environmental Management also considers other parcels of land which have been acquired in the area to determine if the appraised value is acceptable. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM F – Department of Transportation – This item was deferred to the April 3, 2007, meeting of the State Properties Committee at the Request of the Department of Transportation .

ITEM G – Department of Transportation –A request was made for approval of and signatures on a Quit Claim Deed conveying approximately 5.4 acres of vacant land located on JT Connell Highway in the City of Newport to the City of Newport. Mr. Glynn

presented an aerial photograph of the subject property to the State Properties Committee for its review. Mr. Glynn explained that the property was acquired by the State of Rhode Island by condemnation in 1980. The former owner of the land was a corporation, which is no longer in existence and therefore, has no rights to this land at this time. The City of Newport has agreed to the purchase price of \$278,000 per acre of land for a total purchase price of \$1,484,520. The purchase price was previously approved by the State Properties Committee on July 24, 2006. The Agreement to Purchase and the Quit Claim Deed have been signed by the City of Newport. The Department of Transportation is seeking the State Properties Committee's approval of and signatures on the same. Chairman Flynn asked if the appraisal is an internal or external appraisal. Mr. Glynn indicated that the appraisal is an internal appraisal. Chairman Flynn asked Mr. Glynn if, to his knowledge, the language included on the Action Request Form, which states "Property cannot be flipped within twelve (12) months of conveyance to the buyer. If it is sold within twelve (12) months of purchase, the State will receive fifty (50%) percent of the profits." has previously been included in a purchase and sale agreement. Mr. Glynn was unsure whether the Department of Transportation has included said language as a condition of a purchase and sale agreement. Mr. Carcieri indicated that the State Properties Committee previously imposed that language. Mr. Carcieri indicated that this is the first time it is being used in a purchase and sale agreement. Mr. Carcieri indicated that at the expiration of the twelve (12) month period, the City of Newport is

free to sell the subject property at will. Mr. Griffith stated that the former Chairman of the State Properties Committee was particularly interested in the inclusion of this language in the Purchase and Sale Agreement. Mr. Griffith indicated that as former Chairman Williams is now the Director of the Department of Transportation, he would assume that the Director is comfortable with this language. Mr. Carcieri confirmed that Director Williams is comfortable with the language and with the determination of a twelve (12) month time period. Mr. Woolley asked if the Department of Transportation is aware of the City of Newport's intent relative to this parcel of land. Mr. Carcieri indicated that the City of Newport intends to commercially develop the subject property. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM H – Department of Transportation –A request was made for conceptual approval to convey approximately 8,000 square feet of vacant land located on the corner of Mendon Road and Angell Road in the Town of Cumberland to St. John's Episcopal Church. Mr. Glynn explained that St. John's Episcopal Church has been utilizing this land for many years under a Gratis License Agreement. However, the Department of Transportation has decided that the land should either be sold or leased for a fee. The Department of Transportation examined the land and found that it is essentially wetland. The subject property has no utilities and there is a lot of debris on the land in the form of fallen trees and bushes. A portion of the property was paved many, many years ago and is in very poor

condition at the present time. Mr. Glynn provided the State Properties Committee with a map of the subject property for its review. Chairman Flynn asked who paved the property. Mr. Malkasian indicated that under the Gratis License Agreement, St. John's Episcopal Church had the right to pave said portion of the property. Chairman Flynn asked whether such paving may have violated state wetlands laws. Mr. Malkasian indicated that he was unsure whether state wetlands laws were violated. Mr. Malkasian indicated that St. John's Episcopal Church maintains the property, plows the property, maintains the appropriate insurance coverage as well as engages the services of the Cumberland Police Department to secure the property. Mr. Malkasian indicated that not only has St. John's Episcopal Church utilized the property for parking for many, many years, it was actually the former owner of the property. A motion was made to grant conceptual approval by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM I – Water Resources Board – This item was deferred to April 3, 2007,

meeting of the State Properties Committee at the request of the Water Resources Board.

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real

property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Kay. A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye”, Mr Kay voted “Aye”, Mr. Woolley voted “Aye” and Chairman Flynn voted Aye”.

ITEM E1 – Department of Transportation –A request for authorization for the payment of additional compensation in conjunction with Condemnation Plat 2679/Parcel 1A and 4A. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E2 – Department of Transportation –A request for authorization for the payment of additional compensation in conjunction with Condemnation Plat 2679/Parcel 2A. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

A motion was made to seal the Executive Session minutes from the State Properties Committee meeting held on March 6, 2006, until such time as the matters under discussion are resolved. A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye”, Mr. Kay voted “Aye”, Mr. Woolley voted “Aye”, and Chairman Flynn voted “Aye”.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:16 a.m. Mr. Griffith made a motion to adjourn, which was seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary